



Department of Housing and Urban Development – Mel Martinez, Secretary
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HUD AWARDS \$448 MILLION IN HOUSING ASSISTANCE VOUCHERS

WASHINGTON – The U.S. Department of Housing and Urban Development today said that it has awarded nearly \$448 million in new vouchers to subsidize the cost of housing for some 79,000 additional families, HUD Secretary Mel Martinez announced.

HUD's Housing Choice Voucher program -- formerly known as Section 8 Vouchers and Certificates -- is the federal government's major initiative for helping very low-income families, people with disabilities and the elderly afford decent, safe and sanitary housing in the private market, Martinez said.

"The President is committed to finding solutions to address America's tremendous need for affordable rental housing," Martinez said. "These vouchers are just a part of those solutions."

Vouchers, often referred to as "fair share vouchers," are distributed to public housing authorities (PHA) according to need to help the many low-income families throughout the country on waiting lists for housing assistance. The lists have grown longer in recent years because housing prices have increased faster than wages. Congress, as a result, appropriated 60,000 additional vouchers last fiscal year and 79,000 this year.

All 50 states received a portion of this year's vouchers, as did the District of Columbia, the Marianas Islands, Puerto Rico and the U.S. Virgin Islands.

PHAs select families for the program based upon total family income and family size. In general, a family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, PHAs must provide 75 percent of the vouchers to applicants whose incomes are less than 30 percent of the area median income. In addition, vouchers are limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status.

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Once a family is determined to be eligible, the PHA places the family on a waiting list, if the demand for vouchers exceeds the supply

Each PHA determines its own “payment standard,” i.e., the amount of money needed to rent a moderately priced dwelling unit in the local housing market. The amount, in turn, is used to calculate the amount of housing assistance a family will receive. A family that receives a housing voucher can select a unit with a rent that is below or above the payment standard.

PHAs may establish local preferences for selecting applicants from its waiting list. For example, a PHA may give a preference to a family that is homeless, living in substandard housing, paying more than 50 percent of its income for rent, or involuntarily displaced.

After a family is notified that it will receive a voucher, the family is responsible for finding a suitable rental unit. Under the program’s provisions, voucher recipients are free to choose any housing that meets their needs, including single-family homes, townhouses and apartments. Rental units must meet minimum standards of health and safety, as determined by the local PHA that administers the program for HUD. Under certain circumstances, when authorized by the PHA, a family may use its voucher to purchase a modest home.

The PHA will then inspect the rental unit to ensure that the rent is reasonable. If it is, the family and the landlord sign a lease and, at the same time, the landlord and the PHA sign a housing assistance payments contract that runs for the same term as the lease. The subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Landlords are required to provide decent, safe, and sanitary housing to tenants at a reasonable rent. Rental units must meet the program's housing quality standards and be maintained at those levels. Landlords must provide the services agreed to as part of the lease signed with the tenant and the contract signed with the PHA. Should a landlord fail to meet its obligations, the PHA may terminate the payments.

PHAs are required to re-examine family incomes and composition at least annually, and must inspect rental units annually to ensure that they meet minimum standards.

The family is required to comply with the lease and program requirements, pay its share of rent on time, maintain the unit in good condition and notify the PHA of any changes in income or family composition. A family can move without jeopardizing its participation in the program as long as it notifies the PHA ahead of time, terminates its existing lease within the lease provisions and finds acceptable alternate housing.

HUD provides funds to enable PHAs to make housing assistance payments on behalf of families. HUD also pays each PHA a fee for administering the program. When additional funds become available to assist new families, HUD invites PHAs to submit applications for funds for additional housing vouchers.

Including those awarded today, HUD has issued nearly 1.9 million housing assistance vouchers since their inception in the mid-1970s.

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Note to editors: A listing by state and PHA of the number of vouchers funded and the dollar amount is attached to this news release on the HUD web site at <http://www.hud.gov/news.html>